State Board of Equalization

OPERATIONS MEMO

For Public Release

No : 1151
Date: May 30, 2008

SUBJECT: Manual Registration Process When IRIS Is Unavailable

I. PURPOSE

The purpose of this operations memo is to provide guidelines and procedures for registering taxpayers when the Integrated Revenue Information System (IRIS) is unavailable. To prepare for such an occurrence, the following procedures and work tools have been developed by the Compliance Policy Unit (CPU) to ensure the Board's Sales and Use Tax registration program can continue its primary business function of registering applicants, issuing permits, and providing the necessary documents.

CPU has created two work tools: (1) A folder called "SUTD-Manual Registration," which is located on the "Common on 'Cboe\Sutd' (L:)" drive and, (2) A CD labeled "SUTD – Manual Registration." Both of these tools contain the necessary documents, in a limited capacity, to complete the registration process. Hereinafter, the "SUTD-Manual Registration" folder on the L: drive will be referred to as "Folder."

II. CONTENTS OF THE FOLDER AND CD

Both the Folder and CD contain the latest version of forms, returns, schedules, publications, and other registration documents in fillable form, in either MS Word or Adobe pdf formats. Attachment A lists the contents of the Folder and CD. Forms, regulations and publications not contained in the Folder and CD should be available through shelf stock in each field office. The Folder and CD also contain two sub-folders: "Procedures" which contains a copy of this operations memo and attachments and "SUTD Permits" which contains the seller's permit and certificate of registration templates.

The contents of the Folder and CD are not to be duplicated in any media such as floppy disks, CDs, portable hard drives, or be retained in the user's hard drive once IRIS becomes available. **This is to prevent releasing outdated versions of the Folder or CD contents.**

The contents of the Folder and CD will be periodically revised. Field Offices will be notified of revisions to the Folder and will be provided with a revised CD.

A. Maintenance of the Folder and CD

The Folder and CD will be maintained by CPU. Staff who would like to add, delete, or otherwise make changes to the Folder's or CD's content should contact the Registration Specialist in the CPU, MIC: 40.

III. FIELD OFFICE PROCEDURES

A. Accessing and Using the Folder

Only authorized users have rights to access the Folder on the L: drive. Authorized users are to access and utilize the contents in the Folder only when IRIS is unavailable.

Authorized users (e.g., Tax Technicians) who primarily perform registration have rights to access all the contents in the Folder, including the sub-folders entitled "Procedures" and "SUTD Permits" and all documents (e.g., applications, returns, schedules, publications, and forms) in the Folder. Other authorized users (e.g., Supervisors, BTRs, and Specialists) only have access to the sub-folder called "Procedures" and all documents (e.g., applications, returns, schedules, publications, and forms) in that Folder. They do not have access to the sub-folder called "SUTD Permits." Access to this sub-folder (SUTD Permits) is limited to authorized users who primarily perform registration because it contains the seller's permit and certificate of registration templates.

Each District Compliance Principal or their designee will be responsible to maintain the list of authorized users. Any requests for personnel changes (i.e., adding or deleting authorized users) must be sent via an e-mail to each field office's District LAN Coordinator by the District Compliance Principal or their designee. The District LAN Coordinator will then provide the appropriate access to the Folder and sub-folders.

B. Using the CD

Each field office District Administrator or Branch Office Supervisor will be provided with one CD. The District Administrator, Branch Office Supervisor or their designee will be responsible for securing the CD in a lockable storage area when not in use.

Authorized users are to install and use the contents of the CD when both IRIS and the LAN (access to the Folder on the L drive) are unavailable. Contents of the CD should not be installed on any authorized user's personal computer (PC) for any other purpose.

Because the CD contains the seller's permit and the certificate of registration templates, the contents on the CD should be installed on each authorized user's (e.g., Tax Technicians) PC, whose primary function is registration. The contents may also be installed on other user's (e.g., Supervisors, BTRs, and Specialists) PC at the discretion of the District Administrator, Branch Office Supervisor or their designee. When an authorized user has completed the installation of the contents to their PC, he/she is to provide the CD to another authorized user for installation and so on. Attachment B provides instructions on how to "install" the contents of the CD to the authorized user's PC. *Note: The contents that are installed on each authorized user's PC are stored on their desktop temporarily until IRIS becomes available. See letter I. of this section for more information.*

C. Block of Manual Account Numbers

In the past, the field offices were directed to continue using the two-digit prefix account numbers (referred to as "block of manual account numbers") anytime there was a need for a manually issued account number (e.g., IRIS unavailable, swap meet enforcement or special events). Field offices will continue to use the two-digit prefix account numbers when IRIS is unavailable. The two-digit prefix denotes the district of control (e.g., prefix 21 - denotes Oakland District, 19 - denotes San Francisco District, etc.). These manual account numbers must be used in sequential order.

District offices with branch and/or satellite offices performing registration, should continue to issue a block of manual account numbers to each branch and/or satellite office in the manner the District of Control sees fit. It is the district office's responsibility to keep track of the issued and unissued manual account numbers for their office and branch(s) and/or satellite offices. *Note: On occasion, the Registration Specialist in CPU may request the District of Control to provide the last manual account number issued.*

When the District of Control is close to reaching the end of their block of manual account numbers (e.g., 21-999950), a compliance supervisor designated by the District Administrator will contact the supervisor of the Local Revenue Allocation Unit for a new block of manual account numbers.

D. Arbitrary Account Numbers

Arbitrary account numbers will be provided on an as-needed basis. When an arbitrary account number is needed, send an e-mail to "+Registration" or contact the supervisor of the Registration and Security Control Unit (MIC 27) to request an arbitrary account number. Generally, responses to these requests will be processed the same day.

E. Processing Applications

Field offices will handle and process applications as usual, verifying completeness of the application, validating proof of identification, and verifying that all other registration requirements have been met. *Note: Since IRIS is unavailable, staff will not be able to create a TIN, or search if a TIN exists in IRIS (CTS subsystem). In addition, staff may not be able to determine if the applicant will be required to post a security deposit. In these cases, staff will create a new or use an existing TIN and determine if a security deposit is required when IRIS becomes available.*

When the application is verified complete, staff will use the Folder's or CD's contents and manually issue the permit (on goldenrod paper), welcome letter, returns (including schedules) and other registration material that are normally provided to an applicant at the time of registration. *Note: Staff should refer to the Compliance Policy and Procedures Manual (CPPM) section 275.050 for the proper format in typing a permit number.*

If a field office receives an application for another District of Control, the field office that receives the application will process the application as usual. Staff can refer to section 295.020 of the CPPM for further details. When the application is verified complete, staff will issue a manual account number from their block and use the correct district identifier. For example, Sacramento District Office (KH) receives an application for a business located in San Jose District Office (GH), KH will use one of their block of manual account numbers and use GH for the district identifier (e.g., SR GH 28-99####).

With IRIS being unavailable, staff cannot record all the information given to the applicant in comments (F-11) as required. To meet the requirements of recording all of the information (form, regulations, publications, etc.) provided to the applicant at the time a manual permit or certificate of registration was issued, staff must document on the back of each application, in the shaded area indicated, "For Board Use Only", the Tax Information Package (TIP) 1 or 2 <u>and</u> any other forms, regulations, publications, and returns that were provided to the applicant. The documented information on the application will then be entered in comments (F-11) at the account level once IRIS becomes available.

F. <u>Returns and Schedules</u>

Every SUTD taxpayer, regardless of filing basis, may use the utility return (BOE-401-A2). It is available through eBOE, the Board's website, the Folder or CD. If a taxpayer requests (via the telephone or in person) a return and is eligible to E-file, staff should direct the taxpayer to E-file their return through BOE-file. If the taxpayer is not eligible to E-file or does not have access to the Internet, staff should access eBOE, the Board's website, Folder or CD to print the return and provide it to the taxpayer. In addition, the BOE-401-EZ and prepayment form BOE-1150 are also available on the Board's website, the Folder, and CD.

Staff should always ensure that the proper information (e.g., due date, reporting period, account number, taxpayer name and address) is typed on the return(s) as if the return(s) was generated from IRIS, and the accompanying schedules have been included before providing the tax return package.

G. <u>Account Maintenance</u>

Any requests received for account maintenance should be held until IRIS becomes available.

H. Permit Verification

It may be necessary to provide applicants, suppliers, and other interested parties, a written notice that the permit being presented is valid, because new manually issued permits will not be captured or available on the BOE's on-line (website) Sales and Use Tax Permit Verification system. To accommodate this situation, form BOE-400-SNS, *Special Notice to Suppliers*, was developed. This form is included in the Folder and CD. When a manually issued permit is issued, the BOE-400-SNS form should be provided to the taxpayer to be presented or shown to whomever requires verification of the permit's validity.

I. When IRIS Becomes Available

All accounts that were manually issued must be inputted in IRIS as soon as the system becomes available. Staff must search if a TIN exists or generate a new TIN for the taxpayer, as well as any related entity (partner, president, member, etc.), and relate the TINs with one another, if applicable, in IRIS. In addition, staff will be able determine if a security deposit is required from the applicant.

After inputting the applicant's information in IRIS, it is possible to generate security requirements, tax returns, and other related forms from IRIS. Staff may bypass this process if the information has already been provided to the applicant when IRIS was unavailable. However, if form BOE-598, *Notice of Security Requirements*, was provided to the applicant when IRIS was unavailable, staff must either enter a "Y" in the "Security Deposit Form 598" field under the Confirmation Screen (TAR CR) or enter the security requirements under SEC RQ in IRIS. This will establish the security requirement in IRIS for the applicant. If it is determined at the time of inputting the information in IRIS that a security deposit is required, staff will generate the security requirements (BOE-598, *Notice of Security Requirements)* under the Confirmation screen (TAR CR) and mail the forms to the applicant.

The information that was documented on the back of the each application, in the shaded area indicated "Board Use Only," must be recorded in comments (F11). This information (e.g., forms, regulations, and publications) was provided to the applicant at the time a manual permit or certificate of registration was issued. In addition, if form BOE-598 was generated at the time staff was inputting the applicant's information in IRIS, then form BOE-598 must also be recorded in comments (F11).

When IRIS becomes available, the District Compliance Principal (or designee) should ensure all authorized users who installed the contents from the CD to their desktop have deleted the contents from the drive where it was stored. Attachment C provides instructions on how to "uninstall" the contents from the authorized user's PC. When the contents are deleted from the authorized user's PC, he/she is to provide the CD to another authorized user for uninstallation of the contents. The District LAN Coordinators may assist authorized users with the uninstallation process. **Retaining and using the contents of the CD or Folder may result in providing the taxpayer with outdated forms containing inaccurate data or requirements.**

IV. OBSOLESCENCE

This operations memo will become obsolete when the information contained herein is incorporated into the appropriate manuals.

Randie L. Henry
Deputy Director
Sales and Use Tax Department

Distribution: 1-D

Attachments: A - Folder and CD Contents
B - SUTD Manual Registration – CD Installation Instructions
C - SUTD Manual Registration – CD Uninstall Instructions

Attachment A

Folder and CD Contents

ITEM	TITLE	Avail. On eBOE?	Avail. On Website?
Sub-Folder	Procedures	N	N
Sub-Folder	SUTD Permits		
BOE-442-L	Certificate of Registration - Lender	N	N
BOE-442-M	Consolidated Seller's Permit	N	N
BOE-442-R	Seller's Permit	N	N
BOE-442-ST	Temporary Seller's Permit	N	N
BOE-442-U	Certificate of Registration – Use Tax	N	N
BOE-6	National Voter Registration Act (NVRA) Declination Form	Y	N
BOE-162	Personal Liability for Corporate and Limited Company Sales and Use Taxes	Y	N
BOE-164	Successor Liability Notice	Y	N
BOE-367-EFT	EFT Filing Instructions (Sales and Use Tax Prepayment Accounts)	Y	Y
BOE-367-SUT	Filing Instructions for Sales and Use Tax Accounts	Y	Y
BOE-400-B1	Welcome Letter (Not Requiring Security) - Sales and Use Tax	Y	N
BOE-400-B2	Welcome Letter (Requiring Security) - Sales and Use Tax	Y	N
BOE-400-CSC	California Certificate of Registration – Use Tax Application	Y	Y
BOE-400-CSL	Certificate of Registration – Lender Application	Y	Y
BOE-400-CSU	California Consumer Use Tax Account Application	Y	Y
BOE-400-REIN	Reinstatement After Revocation Fee Transmittal Document	Y	N
BOE-400-SNS	Special Notice to Suppliers	Y	N
BOE-400-SPA	California Seller's Permit Application for Individuals/Partnerships/Corporations/Organizations	Y	Y
BOE-400-WVR	Incomplete Application Waiver	Y	N
BOE-400-Y	Important Reminder for Sales and Use Tax Accounts Reporting on a Yearly or Fiscal Yearly Basis	N	N
BOE-401-A2	State, Local and District Sales and Use Tax Return	N	Y
BOE-401-DB	Prepayment of Sales Tax on Fuel Sales	N	N
BOE-401-E	State, Local and District Consumer Use Tax Return	N	N
BOE-401-EZ	Short Form - Sales and Use Tax Return	Y	Y
BOE-401-GS	State, Local and District Sales and Use Tax Return (Gas Sellers)	N	N
BOE-401-INST	State, Local and District Sales and Use Tax Return Instructions	Y	Y

Attachment A

Folder and CD Contents

ITEM	TITLE	Avail. On eBOE?	Avail. On Website?
BOE-424-ADV	Advice of Payment	N	N
BOE-467	Notice of Requirements in the Sale of a Business	Y	N
BOE-530	Schedule C - Detailed Allocation By Suboutlet Of Combined State and Uniform Local Sales and Use Tax	Y	Y
BOE-530-B	Combined 1% State and Local Tax Allocation for Temporary Sales Locations and Certain Auctioneers	Y	Y
BOE-531	Schedule B - Detailed Allocation By County Of 1% Combined State and Uniform Local Sales and Use Tax	Y	Y
BOE-531-A2	Schedule A2- Computation Schedule for District Tax – Long Form	Y	Y
BOE-531-AB	Prepayment of Sales Tax To Suppliers and Wholesalers on Fuel Purchases - Schedules	N	N
BOE-531-AE2	Schedule AE2- Computation Schedule for District Tax – Long Form	Y	N
BOE-531-G	Schedule G - Fuel Seller's Supplement to Sales and Use Tax Return	N	N
BOE-598	Notice of Security Requirements (3 parts)	N	N
BOE-663-RI	Recommended Information	Y	N
BOE-1150	Sales and Use Tax Prepayment Form	N	Y
BOE-1150-B	Sales and Use Tax Special Prepayment Form	N	N
Publication 70	Understanding Your Rights as a California Taxpayer	Y	Y
Publication 71	California City and County Sales and Use Tax Rates	Y	Y
Publication 73	Your California Seller’s Permit	Y	Y
Publication 79-B	California Use Tax	Y	Y
Publication 80	Electronic Funds Transfer Information Guides	Y	Y
Publication 159	E-file Guide	Y	Y

Attachment B

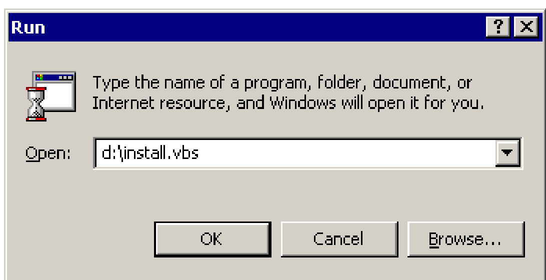
SUTD Manual Registration - CD Installation Instructions
1st Edition – May 2008

1) At the "Novell Client For Windows" logon screen, first click "Workstation only," then click the "Advanced" button. At the "From" field, click the pull-down button and change "CBOE" to the computer name, which should be the users name followed by the decal number.

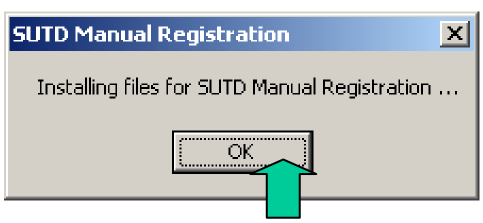
2) If a pop-up window comes up asking, "What do you want Windows to do?," click "Cancel."

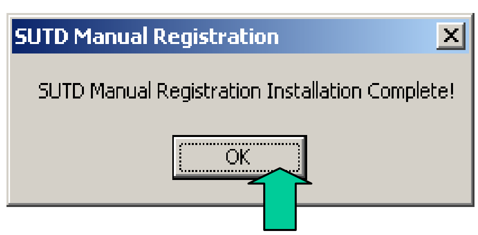
3) Insert the SUTD Manual Registration CD in the CD Drive.

4) Click on the **Start** button and select **Run**. Type: "**d:\install.vbs**" and click on the **OK** button. (If your CD drive is not the "D:" drive, please enter the appropriate drive letter before the "install.vbs".)



5) The following windows will appear during the installation.



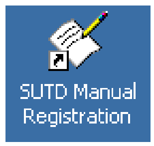


Attachment B

<u>SUTD Manual Registration - CD Installation Instructions</u>
<u>1st Edition – May 2008</u>

6) Installation is now complete.

7) To access the SUTD Manual Registration files, click on the "SUTD Manual Registration" shortcut on your desktop.

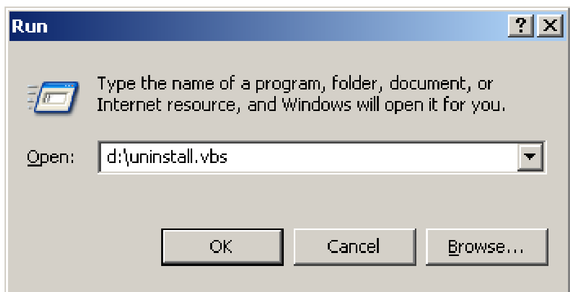


Attachment C

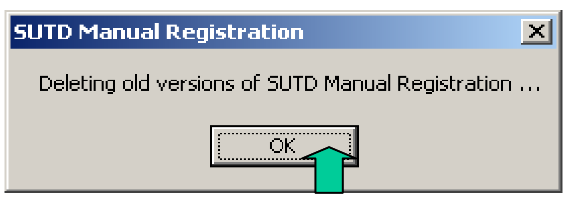
SUTD Manual Registration - CD Uninstall Instructions
1st Edition – May 2008

1) Insert the SUTD Manual Registration CD in the CD Drive.

2) Click on the **Start** button and select **Run**. Type: "**d:\uninstall.vbs**" and click on the **OK** button. (If your CD drive is not the "D:" drive, please enter the appropriate drive letter before the "uninstall.vbs".)



3) The following windows will appear during the uninstall.



4) The SUTD Manual Registration files have now been uninstalled. You may now remove the CD from the CD drive.